

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

LLS AMERICA, LLC,

Debtor,

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Plaintiff,

v.

PHYLLIS BLEA., et al,

Defendants.

NO: CV-12-479-RMP

Bankr. Case No. 09-06194-PCW11

Adv. Proc. No. 11-80294

DEFAULT JUDGMENT

THIS MATTER came on consideration upon the Motion of Plaintiff for
Entry of Default and Judgment against Defendants Norbert and Kathleen Kohler,
and it appearing from the file and records of this Court in this cause that the default
judgment (Bkcy. Dkt. No. 124) entered by the Bankruptcy Court should be deemed

1 proposed findings of fact and conclusions of law, and that entering final default
2 judgment in conformity with the default judgment entered by the Bankruptcy Court
3 is appropriate,

4 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the
5 Plaintiff, Bruce P. Kriegman, solely in his capacity as court-appointed Chapter 11
6 Trustee for LLS America, LLC, shall have a judgment against Defendants Norbert
7 and Kathleen Kohler, as follows:

8 1. Monetary Judgment in the amount of \$11,244.99 USD, pursuant to 11
9 U.S.C. § 550 and RCW 19.40.071;

10 2. Transfers in the amount of \$11,244.99 USD made to the Defendants
11 Norbert and Kathleen Kohler within four years prior to the Petition Filing Date are
12 hereby avoided and Plaintiff may take all necessary action to preserve the same,
13 pursuant to 11 U.S.C. §§ 544, 550, 551 and 548(a) and (b) and RCW 19.40.041(1)
14 and (2) and RCW 19.40.071;

15 3. All said transfers to Defendants Norbert and Kathleen Kohler are hereby
16 set aside and Plaintiff shall be entitled to recover the same, or the value thereof,
17 from Defendants Norbert and Kathleen Kohler for the benefit of the estate of LLS
18 America, pursuant to 11 U.S.C. §§ 544, 550 and 551;

19 4. All proofs of claim of the Defendants Norbert and Kathleen Kohler which
20 have been filed or brought or which may hereafter be filed or brought by, on behalf

1 of, or for the benefit of Defendants Norbert and Kathleen Kohler or their affiliated
2 entities, against the Debtor's estate, in this bankruptcy or related bankruptcy
3 proceedings, are hereby disallowed and subordinated to the monetary judgment
4 granted herein and Defendants Norbert and Kathleen Kohler shall not be entitled to
5 collect on their proofs of claim (Claim Nos. 34-1 and 89-1) until the monetary
6 judgment is satisfied by Defendants Norbert and Kathleen Kohler in full, pursuant
7 to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

8 5. A constructive trust is hereby established over the proceeds of all transfers
9 in favor of the Trustee for the benefit of the estate of LLS America; and

10 6. Plaintiff is hereby awarded costs (i.e. filing fees) in the amount of \$250.00
11 USD, for a total judgment of \$11,494.99 USD, which shall bear interest equal to
12 the weekly average of one-year constant maturity (nominal) treasury yield as
13 published by the Federal Reserve System.

14 The District Court Clerk is directed to enter this Order, enter judgment as
15 outlined above, and provide copies to counsel and to Judge Patricia C. Williams.

16 DATED this 1st day of November 2012.

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18
19 s/ Rosanna Malouf Peterson
ROSANNA MALOUF PETERSON
20 Chief United States District Court Judge